

## Message Text

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FM AMEMBASSY ALGIERS

TO SECSTATE WASHDC NIACT IMMEDIATE 2753

S E C R E T SECTION 1 OF 2 ALGIERS 1618

NODIS

FOR THE SECRETARY FROM UNDER SECRETARY ROBINSON

E.O. 11652: GDS

TAGS: PORG

SUBJ: YOUR SPEECH FOR SEVENTH SPECIAL SESSION

SUMMARY. I HAVE EXPRESSED BELOW SOME THOUGHTS ON YOUR PRESENTATION INCLUDING BASIC OBJECTIVES, THE PHILOSOPHICAL BASIS FOR OUR APPROACH AND A GENERAL OUTLINE OF SUGGESTED BASIC LONG-TERM AND NECESSARY INTERIM STEPS.

1. OBJECTIVE-WE SEEK A STABLE WORLD SOCIETY WHICH REQUIRES AN EXPANDING WORLD ECONOMY IN WHICH ALL SHARE EQUITABLY. THIS CALLS FOR ACCELERATED DEVELOPMENT OF THE POOREST COUNTRIES AND STABLE CONTINUING GROWTH OF THE DEVELOPED WORLD. THIS IS OUR MUTUAL CHALLENGE AND MUST BECOME OUR COMMON GOAL.

2. IT IS A STERILE EXERCISE TO DEBATE THE NEED FOR A SHIFT FROM AN OLD TO A NEW INTERNATIONAL ECONOMIC ORDER. THIS IS BASED ON THE FALSE PREMISE THAT WE HAVE SHIFTED FROM ONE STATIC SET OF CONDITIONS TO ANOTHER. ON THE CONTRARY IT IS CLEAR THAT THE WORLD CONTINUES TO MOVE- AND AT AN ACCELERATING PACE-TOWARDS INCREASING ECONOMIC INTERDEPENDENCY WHICH DEMANDS A DYNAMIC SUSTAINABLE PROCESS OF ADJUSTMENT TO THESE CHANGES. THIS IS A TWO-WAY STREET REQUIRING COOPERATION BETWEEN DEVELOPED AND DEVELOPING WORLDS.

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3. THE END OF COLONIALISM GENERATED A NATURAL SENSE OF INDEPENDENCE AND A SPIRIT OF NATIONALISM WITHIN THE NEW NATIONS BORN OF THIS PROCESS. MORE RECENTLY FROM A GROWING SENSE OF ECONOMIC FRUSTRATION, THESE NATIONS HAVE ASSOCIATED IN A COMMON FRONT TO PRESS FOR A HOST OF NEW ECONOMIC COMMITMENTS FROM THE INDUSTRIALIZED NATIONS. THE PROCESS BY WHICH DEVELOPED AND DEVELOPING COUNTRIES ACCOMMODATE THEIR MUTUAL NEEDS IN A CHANGING WORLD CAN BE POSITIVE AND CONSTRUCTIVE IF GUIDED BY REASON AND TEMPERED BY SENSITIVITY TO THE REALITY OF INTERDEPENDENCY. NOW IS THE TIME FOR A GLOBAL DECLARATION OF INTERDEPENDENCE. IF ON THE OTHER HAND CONFRONTATION IS SOUGHT FOR THE SAKE OF CONFRONTATION ALONE, WE ARE ALL CONDEMNED TO A DOWNWARD SPIRAL OF ECONOMIC BENEFITS WHICH WOULD THREATEN THE VERY EXISTENCE OF OUR CIVILIZATION; OR IF THOSE NATIONS IN ADVANTAGED POSITIONS ARE NOT SUFFICIENTLY SENSITIVE TO THE NEED FOR EQUITY AND FAIL TO ACCEPT THE IMPORTANCE OF BROADENING THE NUMBER OF PEOPLES WITH INTERESTS IN MAINTAINING AN ORDERLY SYSTEM, A SIMILAR ADVERSE SITUATION WILL RESULT.

4. TO ACHIEVE OUR COMMON GOAL OF ACCELERATED ECONOMIC GROWTH IN THE DEVELOPING WORLD, WE MUST FOCUS ON THE BASIC ISSUE-THE NEED TO CREATE CONDITIONS WHICH WILL ENCOURAGE THE TRASFER OF THE KEY FACTORS FOR DEVELOPMENT FROM THE INDUSTRIALIZED TO THE DEVELOPING NATIONS. THIS FLOW OF CAPITAL, MANAGEMENT AND TECHNOLOGY WILL ENCOURAGE MORE EFFECTIVE DEVELOPMENT OF THE HUMAN AND NATURAL RESOURCES WITHIN THE RECIPIENT NATIONS WHICH IS AN ESSENTIAL INGREDIENT FOR SUCCESS. THIS WILL PROVIDE FOR THE REAL TRANSFER OF RESOURCES ON A SOUND AND SUSTAINABLE BASIS.

5. TO ELIMINATE THE BARRIERS TO THIS TRANSFER PROCESS, WE MUST

A. ENCOURAGE THE PRIVATE SECTOR IN THE INDUSTRIALIZED NATIONS TO TRASFER CAPITAL, MANAGEMENT, AND TECHNOLOGY, AND IN A MANNER WHICH WILL CONTRIBUTE TO AND BE IN HARMONY WITH THE LEGITIMATE GROWTH OBJECTIVES OF

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THE HOST NATIONS.

B. INSTITUTIONALIZE INTERDEPENDENCY THROUGH ESTABLISHMENT OF THE NEW MULTILATERAL MUCHANISMS REQUIRED TO MEET THE CHANGING CONDITIONS OF OUR WORLD ECONOMY.

6. TO IMPROVE THE ATMOSPHERE FOR EFFECTIVE PERFORMANCE BY THE PRIVATE SECTOR CALLS FOR SUCH ACTIONS AS:

A. AN INTERNATIONALLY ACCEPTED CODE OF CONDUCT

ESTABLISHING PERFORMANCE GUIDELINES FOR BOTH TNE'S AND INVOLVED GOVERNMENTS.

B. MULTILATERAL INVESTMENT INSURANCE.

C. INTERNATIONALLY ADMINISTERED COMMERCIAL TRADING RULES ASSURING FAIR ACCESS TO BOTH MARKETS AND SOURCES.

7. THE INSTITUTIONALIZING OF GLOBAL INTERDEPENDENCE COULD BE FURTHERED THROUGH:

A. ESTABLISHMENT OF NEW MULTILATERAL FINANCING INSTITUTIONS SUCH AS AN INTERNATIONAL RESOURCES BANK (IRB) OPERATED UNDER THE AEGIS OF THE IBRD.

B. MULTILATERAL FINANCING PROVIDED THROUGH THE IRB AND OTHER INSTITUTIONS TO SUPPORT ECONOMICALLY SOUND RESOURCE PROJECTS IN THE DEVELOPING WORLD. THIS MIGHT BE ACCOMPLISHED THROUGH ISSUANCE OF COMMODITY BONDS TO BE SERVICED BY DELIVERY OF THE COMMODITY GENERATED BY THE FINANCING. (THIS WOULD PROVIDE A LEGALLY ENFORCEABLE-IRB GUARANTEED-MECHANISM ASSURING BALANCED ACCESS TO BOTH SOURCE AND MARKET.)

C. A MULTILATERAL LOAN GUARANTEE PROGRAM TO IMPROVE DEVELOPING COUNTRY ACCESS TO INTERNATIONAL FINANCIAL MARKETS.

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TO SECSTATE WASHDC NIACT IMMEDIATE 2754

S E C R E T SECTION 2 OF 2 ALGIERS 1618

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D. SUPPORT FOR THE TRANSFER OF TECHNOLOGY COMBINED WITH ITS ESSENTIAL PARTNER--MANAGEMENT, THROUGH FORMULAS ENCOURAGING PRIVATE SECTOR BI-LATERAL INVESTMENTS IN "MANAGED TECHNOLOGY."

E. MULTILATERALLY SUPPORTED EFFORTS TO ENCOURAGE THE FLOW OF CAPITAL, MANAGEMENT AND TECHNOLOGY TO

GENERATE FOOD SELF-SUFFICIENCY IN THE DEVELOPING WORLD. THIS COULD BE ACCOMPLISHED THROUGH THE WORLD FOOD COUNCIL, THE CONSULTATIVE GROUP IN THE WORLD BANK, AND OTHER EXISTING INSTITUTIONS.

F. AN ENERGY INITIATIVE TO ESTABLISH A MULTILATERAL INSTITUTION TO GENERATE AND MAKE AVAILABLE TO DEVELOPED AND DEVELOPING WORLDS ALIKE--APPLIED TECHNOLOGY FOR ENERGY CONSERVATION AND ALTERNATIVE SOURCE PROJECTS.

8. IN ADDITION TO THE KEY STEPS OUTLINED ABOVE AS SUGGESTED RESPONSES TO THE BASIC LONG-TERM CHALLENGE OF DEVELOPMENT, WE MUST ALSO SUPPORT A BAND-AID/A ASPIRIN APPROACH IN A CONTINUING EFFORT TO AMELIORATE INTERIM PROBLEMS THROUGH:

A. PROVISION FOR FOOD AID ON MULTILATERALLY SUPPORTED BASIS AND FOOD RESERVE STOCKS TO MEET EMERGENCY NEEDS. (THE LATTER MAY BE VIEWED AS AN ELEMENT IN OUR LONG RANGE PROGRAM.)

B. A MULTILATERAL SYSTEM FOR COMMODITY BUFFER STOCK FINANCING WHERE APPROPRIATE TO PRESERVE CONTINUITY OF PRODUCTION IN DEVELOPING NATIONS AND TO  
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PROTECT INDUSTRIALIZED NATIONS FROM SHORT FALLS AND EXCESSIVE PRICES IN PERIODS OF HIGH DEMAND.

C. ESTABLISHMENT OF A MULTILATERAL EARNINGS STABILIZATION OR INCOME MAINTENANCE PLAN, WHICH ALTHOUGH IT DOES NOT STRIKE AT THE ROOT OF THE PROBLEM, WILL PROVIDE GREATER ASSURANCE OF MORE STABLE FOREIGN EXCHANGE EARNINGS ASSURING A HIGHER DEGREE OF CONTINUITY IN THE DEVELOPMENT PROCESS.

D. ADOPTION OF COMMODITY AGREEMENTS ON A CASE-BY-CASE BASIS.

9. IN ADDITION TO THE FOREGOING INITIATIVES WHICH I CONSIDER IMPORTANT FOR INCLUSION IN YOUR UN PRESENTATION, I BELIEVE WE SHOULD SUPPORT IN PRINCIPLE THE PROPOSED RESTRUCTURING OF THE UN TO REFLECT THE GROWING IMPORTANCE OF ECONOMIC ISSUES.  
PARKER

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